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**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS**

**GENERAL PURPOSE FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2002**

Under provisions of Louisiana law relating to public documents, a copy of this report is being furnished to:
1) the entity and other appropriate officials of the
2) report is available for public inspection at the
3) Parish office of the Legislative Auditor and
4) appropriate, at the office of the Parish Clerk of Court.

Release Date: 7/30/13

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Members

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Certified Public Accountants
Society of Louisiana
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INDEPENDENT AUDITORS' REPORT

To the Honorable Darren Miss
First Municipal District Assessor
Parish of Orleans
New Orleans, Louisiana

We have audited the general purpose financial statements of the First Municipal District Assessor, Parish of Orleans (the Assessor) as of and for the year ended December 31, 2002, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the Assessor's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Honorable Darren Mize
First Municipal District,
Parish of Orleans
New Orleans, Louisiana
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Because we were unable to satisfy ourselves as to the beginning balance of fund deficit of \$85,683 as of December 31, 2001, we were unable to form an opinion on the beginning balance of fund deficit. The Assessor did not maintain accounting records at December 31, 2001, and we were unable to apply procedures to determine whether the opening balances in the general purpose financial statements as of December 31, 2001, were fairly presented in conformity with accounting principles generally accepted in the United States of America or whether accounting principles have been consistently applied between 2001 and 2002. In addition, we were unable to satisfy ourselves concerning a portion of the cost or estimated cost of furnishings and equipment acquired prior to January 1, 2002 because detailed records and documentation of historical and estimated costs are not available. As such, we were unable to form an opinion regarding the amount at which general fixed assets are recorded in the balance sheet at December 31, 2002.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves about the beginning balance of fund deficit of \$85,683 and had we been able to verify the cost or estimated cost of the furnishings and equipment, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Assessor as of December 31, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Honorable Darren Mize
First Municipal District,
Parish of Orleans
New Orleans, Louisiana
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In accordance with Government Auditing Standards, we have also issued our report dated June 9, 2003 on our consideration of the Assessee's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit. Also, that report identified reportable conditions which were considered to be material weaknesses.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 9, 2003

FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2003

ASSETS

	Governmental Fund - General Fund	Account Group - General Fund Assets	Total (Memorandum Only)
Cash and cash equivalents (NOTES 2 AND 3)	\$ 20,061	\$ -0-	\$ 20,061
Due from others (NOTE 6)	5,442	-0-	5,442
Furnishing and equipment (NOTE 4)	<u>-0-</u>	<u>27,731</u>	<u>27,731</u>
Total assets	\$ <u>25,503</u>	\$ <u>27,731</u>	\$ <u>53,234</u>

LIABILITIES AND EQUITY

<u>Liabilities:</u>			
Accounts payable	\$ 125,630	\$ -0-	\$ 125,630
Total liabilities	<u>125,630</u>	<u>-0-</u>	<u>125,630</u>
<u>Equity:</u>			
Investment in general fixed assets	-0-	27,731	27,731
Fund deficit - unreserved and integrated	(100,127)	<u>-0-</u>	(100,127)
Total equity	<u>(100,127)</u>	<u>27,731</u>	<u>(72,396)</u>
Total liabilities and equity	\$ <u>25,503</u>	\$ <u>27,731</u>	\$ <u>53,234</u>

The accompanying notes are an integral part of this statement.

FIRST MUNICIPAL DISTRICT ASSessor
PARISH OF ORLEANS
GOVERNMENTAL FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2002

REVENUES

Intergovernmental revenues - Board of Assessors	
District allocation	\$ 114,941
Appropriated from Orleans Board of Assessors	17,837
Document transfer fees	25,890
Revenue sharing	15,000
On-behalf payments	51,298
Postage reimbursement	5,402
Interest income	87
Other income	1,449
Total revenues	<u>229,434</u>

EXPENDITURES

Personal Services and Related Benefits	
Salaries and wages	89,832
On-behalf payments for Assessor	93,980
Hospitalization insurance	38,844
Retirement	15,843
Payroll taxes	5,821
	<u>243,320</u>
Operating services	
Legal fees	45,325
Office supplies	2,384
Assessor's personal expense allowance	3,675
Automobile lease (NOTE 5)	4,488
Accounting and auditing	10,499
Automobile insurance	1,817
Interest and penalties	2,159
Post and subscriptions	1,807
Office expense	6,315
	<u>89,390</u>
Travel and other charges - meetings/conferences	<u>1,600</u>
Total expenditures	<u>334,310</u>
Deficiency of revenues over expenditures	(10,876)
Fund deficit, beginning of year as previously reported	(89,000)
Price period adjustment (NOTE 5)	<u>1,621</u>
Fund deficit, beginning of year as restated	<u>(87,379)</u>
Fund deficit, end of year	<u>\$186,179</u>

FIRST MUNICIPAL DISTRICT ASSessor
TOWN OF CHILLMAN
GOVERNMENTAL FUNDS - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental revenues - Board of Assessors:			
Donor Allowance	\$134,943	\$134,943	\$ -0-
Appropriated from Orleans, Board of Assessors	-0-	17,827	17,827
Document transfer fees	31,506	30,888	(618)
Revenue sharing	13,118	30,888	17,770
Overhead / payments	88,645	81,598	(7,047)
Postage reimbursement	2,500	6,452	3,952
Interest income	87	87	-0-
Other income	115	1,688	1,573
Total revenues	268,114	293,234	25,120
EXPENDITURES			
Personnel services and related benefits:			
Salaries and wages	88,694	89,003	309
Overhead payments for Assessor	88,645	81,598	(7,047)
Hospitalization insurance	18,382	20,544	2,162
Retirement	7,645	10,363	2,718
Payroll taxes	3,228	3,623	395
Total personnel	158,594	215,131	56,537
Operating services:			
Legal fees	11,000	43,233	32,233
Office supplies	1,488	2,384	896
Assessor's personal expense allowance	12,488	7,875	(4,613)
Automobile lease	5,788	4,685	(1,103)
Accounting and auditing	10,863	15,498	4,635
Automobile insurance	1,718	1,877	159
Interest and penalties	78	2,530	2,452
Phone and internet/Internet	1,222	1,897	675
Office expense	3,523	6,515	2,992
Total operating services	36,670	88,530	51,860
Travel and other charges - meetings/conferences			
	3,618	3,618	-0-
Total expenditures	198,282	313,281	115,000
Excess (deficiency) of revenues over expenditures	7,832	(17,047)	(24,879)
Fund deficit, beginning of year as previously reported	(81,680)	(81,680)	-0-
Prior period adjustments	-0-	3,633	3,633
Fund deficit, beginning of year as revised	(81,680)	(81,680)	-0-
Fund deficit, end of year	\$11,852	\$100,423	\$88,571

The accompanying notes are an integral part of this statement.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - Introduction:

The First Municipal District Assessor, Parish of Orleans (the Assessor), is an independently elected official and is one of seven (7) assessors for Orleans Parish. There are seven (7) municipal districts with an independently elected assessor for each district. All assessor offices are located on the 4th floor of the Orleans Parish City Hall, 1300 Perdido Street. Louisiana Revised Statute (R.S.) 47:1909 states that the governing authority of the City of New Orleans shall provide suitable rooms in the City Hall for the use of the assessor of each municipal district and for the Board of Assessors. Therefore, the upkeep and maintenance costs of the assessors' offices are not included in the accompanying general purpose financial statements.

The Board of Assessor, Parish of Orleans (the Board), comprised of the seven Orleans Parish assessors, is the administrative body for the Orleans Parish assessors and their seven (7) municipal districts. R.S. 47:1909 provides that the assessors elected in the Parish of Orleans shall constitute a Board of Assessors for the parish and each assessor shall independently exercise his functions in the assessing and listing of the property in and for his respective district within the parish.

The Board's primary revenue is ad valorem taxes collected by the New Orleans Department of Finance - Bureau of Treasury (City Tax Collector) from the assessment tax rolls of the parish. The seven (7) Orleans Parish assessors receive an allotment from the Board on a pro-rata basis for operation of their offices. The remaining funds of the Board are used to pay the Assessors' salaries and fringe benefits and administrative expenses of the Board.

The Assessor assesses all real and movable property in his municipal district subject to ad valorem taxation. The Assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and to provide assistance to the taxpayers in his district. The deputies are authorized to perform all functions of the office, but the Assessor is officially and pecuniarily responsible for the actions of the deputies. The Assessor has four employees.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Introduction, Continued:

The Assessor completes an assessment listing by August 1st of the tax year and submits the list to the parish governing authority, as prescribed by law. Once the assessment listing is approved/verified by the Louisiana Tax Commission, the assessment roll is submitted to the City Tax Collector, who is responsible for the collection and distribution of taxes to the various taxing bodies.

The election for the First Municipal District Assessor is held every four years in the month of February and the elected assessor takes office on the first Monday in May. In the election held February 2, 2002, a new assessor was elected and began his term on May 6, 2002.

NOTE 2 - Summary of Significant Accounting Policies:

Basis of Presentation

The accompanying general purpose financial statements of the Assessor have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The Assessor is a separate governmental reporting entity. The Board determined that they were a separate governmental reporting entity and that each assessor of the parish of Orleans was a separate governmental reporting entity. Therefore, for financial reporting purposes, the Assessor includes all funds and account groups that are controlled by the Assessor as an independently elected parish official. The activities of other independently elected parish officials and municipal level governments are not included within the accompanying general purpose financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - *Summary of Significant Accounting Policies, Continued:*

Fund Accounting

The Assessor uses a fund (General Fund) and an account group to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The fund of the Assessor is classified as a governmental fund (General Fund), which accounts for the Assessor's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of general fixed assets.

The General Fund, as provided by R.S. 47:1506, is the principal operating fund of the Assessor and accounts for the operation of the Assessor's office.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement of the General Fund presents increases (revenues and other financing sources) and decreases (expenditures and other financial uses) in net current assets.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Basis of Accounting, Continued

The General Fund is maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Assessor uses the following practices in recording revenues and expenditures.

Revenues

District allotments and revenue sharing revenue are recorded in the year they are due and payable. Document transfer fees and legal fees reimbursed are recorded as revenues when received. Interest income on time deposits is recorded when the time deposits have matured.

Expenditures

Expenditures are recognized in the accounting period in which the liability is incurred.

Budgetary Accounting

Louisiana law (R.S. 1305 and 1309) requires the Assessor to prepare and adopt a budget for the General Fund before the beginning of the ensuing fiscal year. A budget was not timely adopted for the fiscal year ended December 31, 2002. However, the newly elected assessor adopted a budget after taking office on May 6, 2003. The budget is prepared based on the prior year's actual revenues and expenditures, along with any financial forecasting that may be necessary.

FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2- Summary of Significant Accounting Policies, Continued:

Budgetary Accounting, Continued

Any unused appropriations for budgeted funds lapse at year end. The Assessor has sole governing authority to amend the budget. Encumbrance accounting is not employed as a management control device. Unexpected appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance. Budget amounts included in the accompanying general purpose financial statements reflect the originally adopted budget and all subsequent amendments.

On-Behalf Payments for Fringe Benefits and Salaries

On-behalf payments for fringe benefits and salaries totaled \$93,590 for the year. The Assessor's salary of \$76,750 (current) and \$80,250 (prior) was paid directly to the Assessor from the Board. In addition, the Board paid fringe benefits totaling \$16,840 (pension plan contributions totaling \$8,877 and health insurance premiums totaling \$7,963) on behalf of the Assessor. On-behalf payments are reported as revenues (on-behalf payments) and expenditures (personal services and related benefits) in the general purpose financial statements.

Certain operating expenditures of the Assessor's office are paid by the City of New Orleans and are not included in the accompanying financial statements. These operating expenditures include office space, utilities, telephones, and janitorial services.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and time certificates of deposit with original maturities of 90 days or less. Under state law, the Assessor may deposit funds in demand deposits, interest-bearing demand deposits, or time certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

General Fixed Assets

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair market value on the date received.

Leave

The Assessor has the following policy relating to vacation and sick leave:

Employees earn 10 days of vacation leave upon completion of one year of employment. Upon five years of employment and up to 15 years of employment, employees earn 15 days of vacation leave. Employees with more than 15 years of employment earn 20 days of vacation leave. Vacation leave not taken/used at the end of the year is not carried over the following year. Therefore, a liability for unused vacation leave at December 31, 2002 is not recorded in the general purpose financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - *Summary of Significant Accounting Policies, Continued:*

Sick Leave, Continued

Employees earn sick leave at the rate of one-half day for each month of employment. Employees may accumulate sick leave indefinitely. Unused sick leave can be taken only in the event of illness and is not convertible to pay upon termination of employment or retirement. Therefore, a liability for unused sick leave at December 31, 2002, is not recorded in the general purpose financial statements.

Vacation and sick pay expenditures are charged to operations when incurred.

Total Column on Statement

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from these estimates.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Cash and Cash Equivalents:

At December 31, 2002, the Assessor has cash and cash equivalents (bank balances) totaling \$20,061.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balance) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 2002, the Assessor has \$20,171 in deposits (collected bank balances). These deposits are fully secured from risk by federal deposit insurance (OASB Category 1).

NOTE 4 - Changes in General Fixed Assets:

A summary of changes in general fixed assets (furnishings and equipment) follows:

Balance, January 1, 2002	\$22,776
Additions	<u>4,955</u>
Balance, December 31, 2002	<u>\$27,731</u>

NOTE 5 - Pension Plan

Plan Description

Substantially all employees of the Assessor's office are members of the Louisiana Assessors' Retirement System (the System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Pension Plan, Continued:

Plan Description, Continued

All full-time employees that are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3.33% of their highest monthly average final compensation received during any 36 consecutive months while employed times the number of years of the member's creditable service not to exceed 100% of their monthly average final compensation, after taking into account the reduction arising from any optional retirement selected.

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessors' Retirement System, Post Office Box 14899, Baton Rouge, Louisiana 70899, or by calling (225) 928-8886.

FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 5 - Pension Plan, Continued:

Funding Policy

Plan members are required by state statute to contribute 8.0% of their annual covered salary and the Assessor is required to contribute at an actuarially determined rate. The current rate is 3.5% of annual covered payroll. Contributions to the System also include one-fourth of 1% (1% for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Assessor are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Assessor's contributions (including the contributions made by the Board on-behalf of the Assessor) to the System for the years ended December 31, 2000, 2001 and 2002, were \$10,083, \$5,444 and \$4,623, respectively equal to the required contributions for each year.

NOTE 6 - Lease Commitment:

The Assessor leases an automobile that is accounted for as an operating lease. On December 10, 2002, the Assessor entered into a lease agreement, which is for forty-eight (48) monthly payments of \$398, beginning January 10, 2003 and ending on December 10, 2004. The prior Assessor's lease agreement was scheduled to end August 7, 2004. The monthly payments were \$475. No lease expenditures were incurred for this lease after the prior Assessor's term ended. For the year ended December 31, 2002, automobile lease expenditures for the two leases totaled \$4,483.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 6 - Lease Commitment, Continued:

At December 31, 2002, the future minimum annual commitments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2003	\$ 4,776
2004	4,776
2005	<u>4,776</u>
Total	<u>\$14,328</u>

NOTE 7 - Risk Management:

The Assessor is exposed to various risks of loss related to limited torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the Assessor is covered by commercial insurance of the board.

NOTE 8 - Contingency Liability:

The Assessor has been a defendant in lawsuits arising principally in the normal course of operations. For the year ended December 31, 2002, no outstanding lawsuits existed against the Assessor.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 9 - Due from Others:

The prior Assessor was paid the total annual expense allowance of \$8,025, however, the prior Assessor's term expired on May 3, 2002 and the amount of the expense allowance which would have been earned from such date to December 31, 2002 of \$5,358 should be returned to the Assessor's office. In addition, the current Assessor's personal use of the vehicle was determined to be \$92 at December 31, 2002.

NOTE 10 - Prior Period Adjustment:

The fund deficit at the beginning of 2002 has been adjusted to correct an error relating to prior year revenue of document transfer fees received in January 2002. Had the revenue been recorded in 2001, the fund deficit would have been decreased by \$3,023.

NOTE 11 - Fund Deficit:

The General Fund has a fund deficit of \$100,127 as of December 31, 2002. The Assessor is planning to eliminate the deficit within 3-to-5 years. Reduction in expenditures are anticipated in the General Fund.



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF
GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Darin Mize
First Municipal District Assessor,
Parish of Orleans
New Orleans, Louisiana

We have audited the general purpose financial statements of the First Municipal District Assessor, Parish of Orleans (the Assessor) as of and for the year ended December 31, 2002, and have issued our report thereon dated June 9, 2003, which was qualified because we were unable to satisfy ourselves about the beginning balance of fund deficit of \$85,603 because the Assessor did not maintain adequate accounting records as December 31, 2001 and we were unable to satisfy ourselves concerning a portion of the cost or estimated cost of the furnishings and equipment purchased or acquired prior to 2002 because detailed records and documentation of historical and estimated costs are not available. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF
GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Compliance

As part of obtaining reasonable assurance about whether the Assessor's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general purpose financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards, which are described in the accompanying schedule of findings and questioned costs as items 02-02 and 02-03.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Assessor's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Assessor's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statement. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 02-04 to 02-05.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF
GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. However, the reportable conditions described above, we consider items 02-02 and 03-03 to be material weaknesses.

This report is intended solely for the use of the Assessor, its management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 9, 2013

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2002**

We have audited the general purpose financial statements of the First Municipal District Assessor, Parish of Orleans as of and for the year ended December 31, 2002, and have issued our report thereon dated June 9, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the general purpose financial statements as of December 31, 2002 resulted in a qualified opinion.

I. Summary of Independent Auditors' Results

A. Reportable conditions in internal control were disclosed by the audit of the general purpose financial statements:	Yes
Material weaknesses:	Yes
B. Noncompliance which is material to the general purpose financial statements:	Yes
C. Reportable conditions in internal control over major programs:	Not Applicable
Material weaknesses:	Not Applicable
D. The type of report issued on compliance for major programs:	Not applicable
E. Any audit findings which are required to be reported under section 510(a) of OMB Circular A-133:	Not applicable
F. Major programs:	Not applicable

FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2002

I. *Summary of Independent Auditors' Results, Continued*

- | | |
|--|----------------|
| G. Dollar threshold used to distinguish between Type A and Type B programs: | Not applicable |
| H. Auditors qualified as a low-risk auditor under section 330 of OMB Circular A-133: | Not applicable |
| I. A management letter was issued: | No |

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2002**

**II. Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards**

02-01 - Interim Financial Statements

We noted during our audit that interim financial statements were not prepared on a monthly basis. This condition was primarily due to the inadequate financial records that were maintained by the former Assessor. Monthly completed financial statements are necessary for management to analyze the accuracy of financial information and also, compare actual revenues and expenditures to budgeted amounts.

Therefore, we recommend that the Assessor immediately take steps to implement procedures to ensure that monthly financial statements are prepared and reviewed on a timely basis.

02-02 - Timely Budget Adoption

Although the current Assessor prepared a budget after taking office on May 6, 2003, we noted that a general fund budget was not adopted by the prior Assessor prior to the beginning of the fiscal year. Failure to adopt a budget before the ensuing fiscal year is in noncompliance with Louisiana law (R.S. 39:1305 and 39:1307). We did note, however, that the budget for the 2003 fiscal year has been adopted in accordance with Louisiana law.

We recommend that the Assessor continue to ensure that a budget is adopted according to state law.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2002**

**II. Findings Relating to the Financial Statements Reported
in Accordance with Government Auditing Standards, Continued**

02-03 - Budget Adherence

We noted during our audit that the total actual expenditures exceeded total budgeted expenditures by 21%.

The Assessor did not amend its budget for unexpected expenditures occurring throughout the fiscal year. As such, the Assessor is in noncompliance with Louisiana R.S. 39:1318, which requires the governing body to amend its budget when total actual expenditures exceed total budgeted expenditures by 2% or more.

We recommend that the Assessor monitored its budget on a regular basis to ensure that variances between budget and actual revenues, expenditures and beginning fund balance are always within the legal limits for budgeting controls.

02-04 - Fixed Assets

At December 31, 2002, detailed fixed asset records are not assigned copies. Louisiana R.S. 24:514(B)(1) requires the Assessor to maintain records of land, buildings, improvements other than buildings, equipment, and any other general fixed assets, which were purchased or otherwise acquired. The records should include information as to the date of purchase of such property or equipment, the initial cost, the disposition, if any, the purpose of such disposition, and the recipient of the property or equipment disposed. Good internal control over fixed assets requires that fixed assets be tagged for identification purposes and that annual physical inventories of fixed assets be conducted to ensure the accuracy of fixed assets records.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2002**

**II. Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards, Continued**

02-04 - Flood Assets, Continued

The current Assessor performed an inventory of fixed assets, but did not assign costs for fixed assets purchased or acquired prior to taking office because the documents needed to assign costs were not available. However, the Assessor has properly assigned the costs of fixed assets acquired since taking office.

We recommend that the Assessor update its fixed asset records to include the historical or estimated costs in order to reconcile to the general fixed asset account group.

02-05 - Fund Deficit

At December 31, 2002, the Assessor's general fund had a deficiency of revenues over expenditures of \$17,549 resulting in a fund deficit of \$100,127. No organization can operate effectively or exist for an extended period of time by spending more than its revenues.

We recommend that the Assessor find ways to reduce spending and increase revenues in order to ensure an adequate level of fund balance in the general fund.

FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2002

III. Findings and Questioned Costs Relating to Federal Awards

Not applicable.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2002**

**I. INTERNAL CONTROL AND COMPLIANCE
WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS**

2001 - 01 Adequate Financial Records Not Maintained

It was recommended that the Assessor 1) prepare monthly cash receipts and cash disbursements journals; 2) maintain a general ledger; 3) prepare monthly financial statements; 4) maintain supporting documentation for all disbursements made; 5) maintain a detailed list of capital assets; 6) maintain individual employee files; 7) prepare a written travel policy; and 8) prepare written purchasing procedures.

Current Status

Resolved.

**2001-02 Assessor Personal Expense Allowance not Included
on Wages or Reported to the Internal Revenue Service**

It was recommended that the Assessor amend applicable payroll forms for all applicable years and submit such to the appropriate federal and state taxing authorities.

Current Status

Unresolved.

Payroll forms for applicable years have not been amended for the former assessor's personal expense allowance. This will be done by July 2003. The current assessor's expense allowance was reported as wages for the year ended December 31, 2002.

FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2012

I. INTERNAL CONTROL AND COMPLIANCE
WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS
(CONTINUED)

2001-03 *Personal Use of Vehicle not Reported as Taxable Income*

It was recommended that the Assessor comply with appropriate employment tax laws and record-keeping requirements; and amend the applicable payroll reporting forms for all appropriate years and submit these to the appropriate federal and state taxing authorities.

Current Status

Unresolved.

Payroll forms for applicable years have not been amended for the former assessor's personal use of an assessor leased vehicle. However, the current Assessor has established and implemented a policy for documenting personal use of the vehicle. In addition, the current Assessor determined his personal use of the vehicle and submitted a reimbursement for such to the Assessor's General Fund because all usage occurred in December 2002, and it was not sufficient time to amend the applicable reporting forms before the end of the fiscal year.

2001-04 *Debt Incurred Without Approval*

It was recommended that the current Assessor take possession of the leased vehicle (acquired by the former Assessor without obtaining State Board Commission Approval) and either return it or apply to the State Board Commission for approval.

FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2002

I. **INTERNAL CONTROL AND COMPLIANCE**
WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS
(CONTINUED)

2001-04 *Debt Incurred Without Approval, Continued*

Current Status

Unresolved.

The current Assessor was unable to take possession of the leased vehicle as recommended. The Assessor was successful, through legal proceedings in removing the Assessor's Office as co-lessee on the leased vehicle effected by the prior assessor. Also, the current Assessor did obtain approval from the State Bond Commission for a newly leased vehicle, obtained in December 2002.

2001-05 *Failure to Comply with Local Government Budget Act*

It was recommended that the newly elected Assessor adopt a budget for the remainder of the year beginning May 8, 2002 and ending December 31, 2002.

Current Status

Resolved.

FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2002

I. **INTERNAL CONTROL AND COMPLIANCE**
WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS
(CONTINUED)

1001-06 **Failure to Complete the Louisiana Compliance Questionnaire**

It was recommended that the newly elected assessor complete the Louisiana Compliance Questionnaire at the beginning of all future audits and give it to the auditor.

Current Status

Resolved.

1009-07 **Internal Control Over Disbursements Inadequate**

It was recommended that the Assessor ensure that there is adequate documentation to support the disbursement of public funds and should maintain this documentation for the required time period. Maintain canceled checks to support payments made; and file required IRS forms 1099 for individual who do business with the Assessor.

Current Status

Resolved.

FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2002

**I. INTERNAL CONTROL AND COMPLIANCE
WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS
(CONTINUED)**

2000-01 Fixed Asset Records Inadequate

It was recommended that the Assessor define assets that will be inventoried, including the minimum value for inclusion on the list of fixed assets; prepare a detailed list of fixed assets (the list should include the date of purchase and the initial cost); conduct a physical inventory; and identify (tag) assets that belong to the Assessor and include the tag number on the listing of fixed assets.

Current Status

Partially unresolved. See current year finding 03-04.

2000-09 Weakness in Internal Control Over Payroll

It was recommended that the Assessor implement the following:

1. Prepare simple written policies and procedures relating to payroll and personnel.
2. Maintain all attendance records that evidence, at a minimum, the work hours of all employees and the review/approval of the Assessor.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2002**

**1. INTERNAL CONTROL AND COMPLIANCE
WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS
(CONTINUED)**

2000-09 Weakness in Internal Control Over Payroll, Continued

3. Establish a personnel file on each employee that contains, at a minimum, documentation of the employee's approved pay rates; a completed Form I-9 - U.S. Department of Justice Immigration and Naturalization Service "Employment Eligibility Verification" for all employees hired after November 6, 1986; completed federal and state income tax withholding forms (Forms W-4 and L-4); an employment application form; and a job description.
4. Maintain simple records to account for vacation and sick leave earned and taken by employees.

Current Status

Resolved.

2000-10 Policy for use of Cellular Phones

It was recommended that the Assessor adopt a formal policy for the business use of cellular phones and should maintain adequate documentation to support the disbursement of public funds and compliance with the cellular phone policy.

Current Status

Resolved.

FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2002

I. INTERNAL CONTROL AND COMPLIANCE
WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS
(CONTINUED)

2004-11 *Variances in Assessment of Property*

It was determined that no documentation was available to support differences in assessment values.

The current assessor's response to this finding entailed his intention to reassess all property for the First Municipal District during the 2004 reassessment year (whereas reassessments are done in August 2003), using appropriate valuation techniques.

Current Status

Unresolved

II. INTERNAL CONTROL AND FEDERAL COMPLIANCE

Not applicable.

III. MANAGEMENT LETTER

No management letter comments reported.



DARREN G. MIRE

ASSESSOR

1ST MUNICIPAL DISTRICT, ORLEANS PARISH

30304 4801 CITY HALL - NEW ORLEANS, LA 70112

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MEMBER

BOARD OF ASSESSORS, ORLEANS PARISH

LOUISIANA ASSESSOR ASSOCIATION

INTERNATIONAL ASSOCIATION OF

ASSESSORS OF TAXES

June 28, 2003

Brato & Torvalds LLP
Certified Public Accountants
4286 Physician Fields Avenue
New Orleans, LA 70122

Gentlemen:

Please accept the following as my office response and corrective action plan to the audit findings contained in your report of the Assessor's Office for the year ended December 31, 2002.

Finding

Number

- 02-01 During the current fiscal year, the Assessor's Office began producing monthly statements and will continue to do so.
- 02-02 The Assessor's Office is now fully aware of the Louisiana law relative to the budget adoption and will continue to comply as evidence of my adoption of the budget for the 2003 fiscal year.
- 02-03 The Assessor's Office will on a monthly basis review the status of the year-to-date budget compared to a year-to-date actual revenues and expenditures and make the necessary modification, if necessary.
- 02-04 We have exhausted all means of trying to obtain the detail cost of the beginning fixed assets to no avail. We will seek necessary state approval prior to the end of the current fiscal year to reconcile the fixed asset records to the general fixed assets account group by writing off the obsolete fixed assets. The fixed assets acquired during the 2002 fiscal year are accounted for properly.
- 02-05 Prior to the end of the 2003 fiscal year a plan will be developed to eliminate the current cumulative deficit.

If you have any questions or comments, please feel free to contact me the office.

Sincerely,

Darren G. Mire

Assessor

Orleans Parish – 1st Municipal District

DGM:md